



# City Council Budget Goal Setting Session for the FY 2019 Budget

Affordable Housing

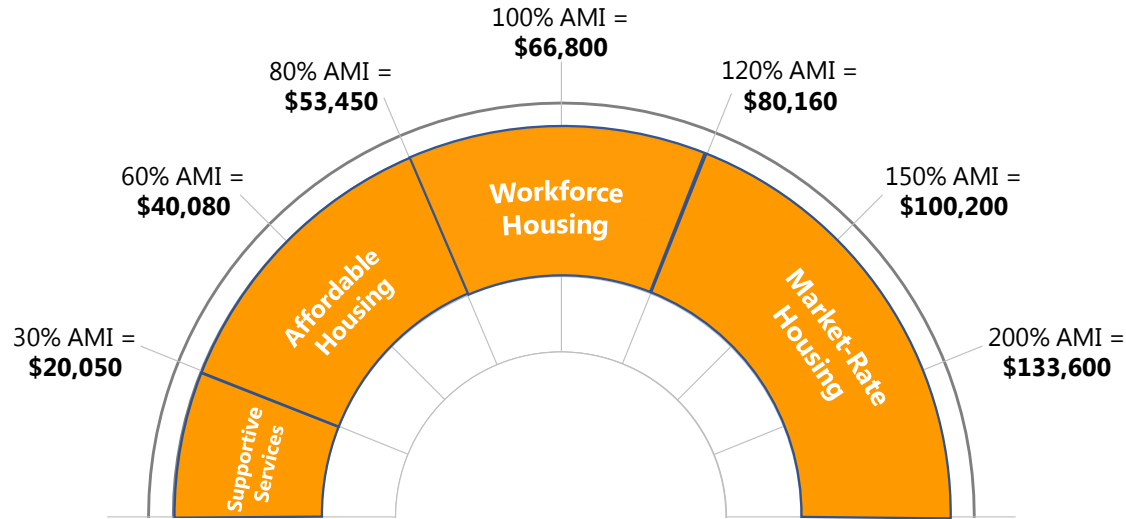
Presented by:

Peter Zanoni, Deputy City Manager

May 30, 2018

# Definition of Affordable Housing

- ✓ Housing is affordable when no more than 30% of household income goes to housing costs
- ✓ Affordable housing serves families earning less than or at 80% of the Area Median Income (AMI)
- ✓ 80% AMI for a family of four is \$53,450



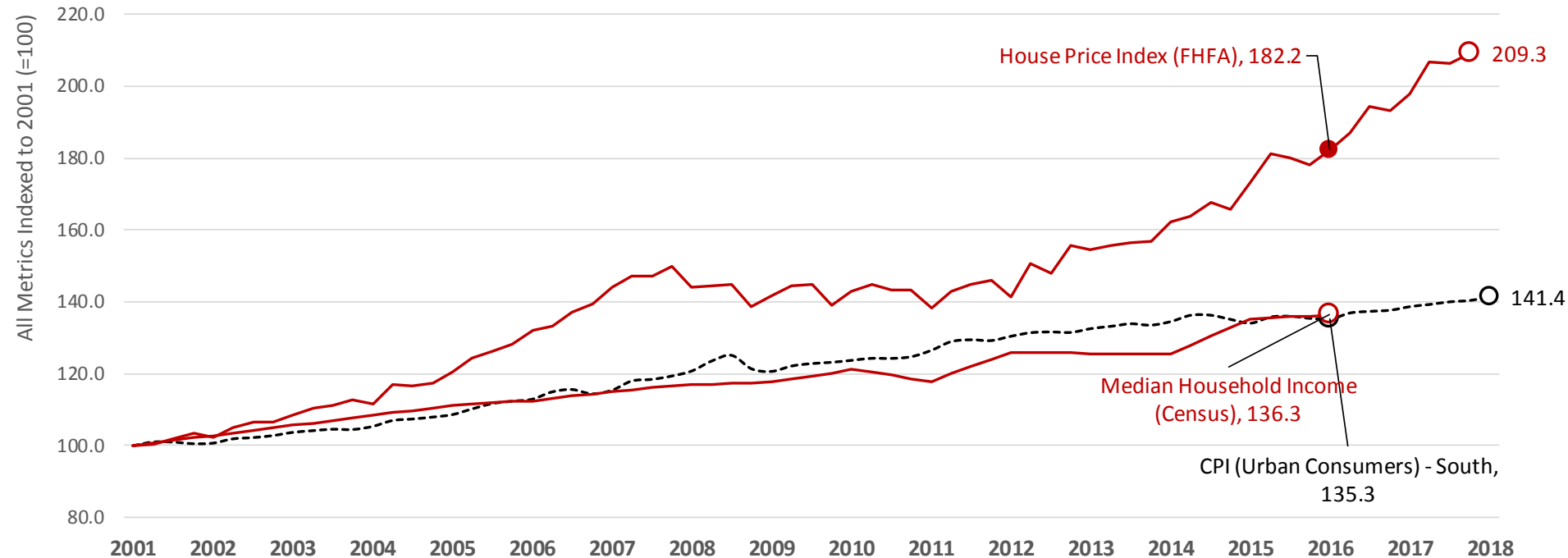
# SAT Affordable Housing Core Issues

- ✓ 165,000, or 33%, of 498,000 total households are cost burdened
  - 21% of home owners are cost-burdened
  - 48% of renters are cost-burdened
- ✓ Cost burdened households spending on average \$330 more per month on housing than they should
- ✓ Income levels are not keeping pace with soaring housing prices



# Housing Costs Outpacing Incomes

## Trends in Incomes and Housing Prices Diverging, 2001-16 (18)



Source: U.S. Census ACS, HUD, FHFA, BLS; Economic & Planning Systems

\\EPSDC02\Proj\173118-San Antonio TX Housing Policy Framework\Data\173118-Indexes-031918.xlsx]TABLE 1 - Index Summary

# Affordability Gap for Renters

## Number of Cost Burdened Renter Households

**<30% AMI 36,900**

**30-60% AMI 36,500**

**60-80% AMI 17,800**

**80-120% AMI 12,500**

✓ 48% of renters are cost burdened



# Supply and Demand Gap Increasing

- ✓ Renter Housing gaps, under 30% AMI
  - 2005: 28,000 units
  - 2016: 32,000 units
- ✓ Renter housing gaps between 30-60% AMI
  - 2005: **SURPLUS** of 14,000 Units
  - 2016: **GAP** of 2,300 Units



# Affordability Gap for Homeowners

## Number of Cost Burdened Owner Households

**<30% AMI**      **13,214**

**30-60% AMI**      **14,973**

**60-80% AMI**      **9,366**

**80-120% AMI**      **11,279**



✓ 21% of home owners are cost-burdened

# Affordability Gap for Homeowners

	2005	2016
Median Income	\$40,100	\$49,300
Median Home Price	\$120,000	\$180,000
What a Median Household Can Afford	\$101,000	\$153,500
Affordability Gap	\$19,000	\$26,500



# Supply and Demand Gap Increasing

From 2005 to 2016

- ✓ For households at 60 to 80% AMI, 10,000 affordable units lost
- ✓ For households at 80 to 120% AMI, 12,000+ affordable units lost



# City Losing Homeowners

- ✓ From 2005 to 2016
  - 6,500 new households annually produced in City but only 800 annually were owner households
- ✓ Bexar County unincorporated areas absorbing 87% of all new owner households
- ✓ City's ownership rate declined from 61% to 54%



# Mayor's Housing Policy Task Force

August 2017 Mayor Nirenberg created task force to develop comprehensive housing policy recommendations

- ✓ Lourdes Castro Ramirez, Chair
- ✓ Gene Dawson, Principal, Pape Dawson Engineer,
- ✓ Jim Bailey, Architect, Alamo Architects
- ✓ Noah Garcia, Sr. Vice President, Vantage Bank
- ✓ Maria Antonietta Berriozabal, Former Council Member

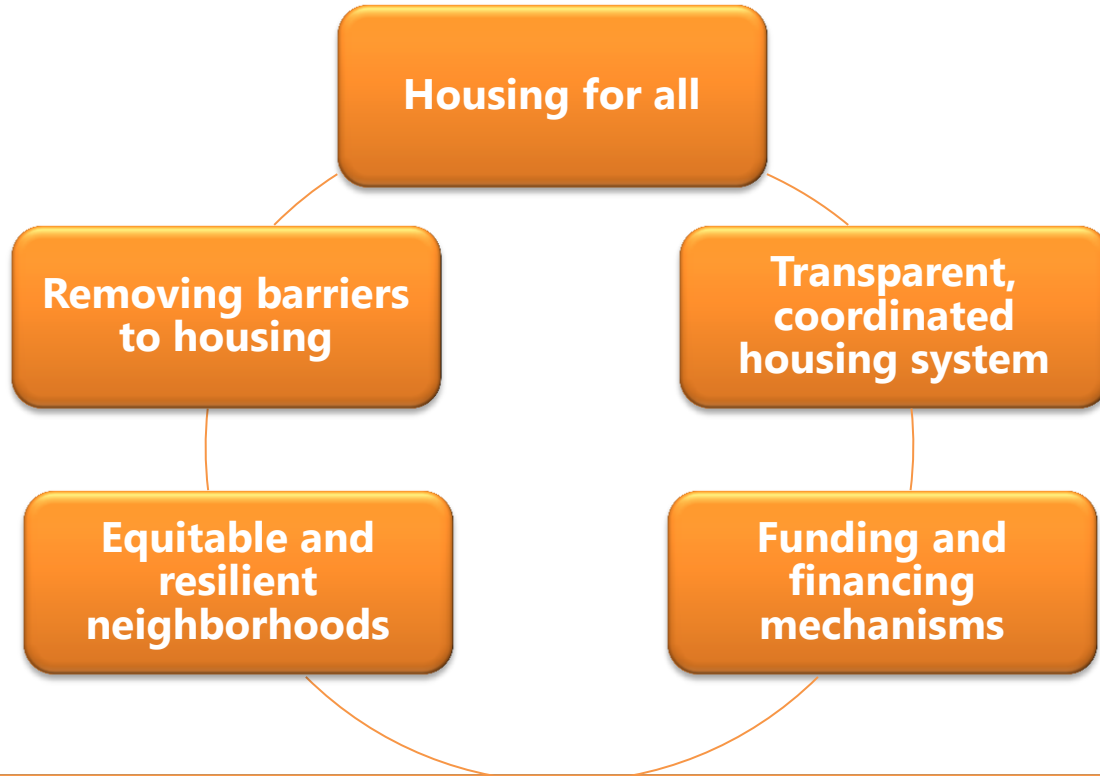


# Task Force Mission and Goal

- ✓ Lead a policy recommendation process grounded in community engagement, data, and best practices addressing the full spectrum of housing
- ✓ Taskforce identified five housing policy priorities



# Technical Working Groups



# Task Force Results

## ✓ 8 public meetings

- October 3, 10 and 30, 2017 & November 14, 2017
- January 9 and 23 & February 20, 2018
- March 20, 2018

## ✓ 2 public workshops

- December 9, 2017 | Our Lady of the Lake University
- April 7, 2018 | Sam Houston High School
- June 2, 2018 | Palo Alto College Performing Arts Center

## ✓ Comprehensive Plan Committee: June 11, 2018

## ✓ Council B Session: June 20, 2018



# Task Force Next Steps

- ✓ June: Task Force Finalizes recommendations and identifies priority budget items
- ✓ June/July: Executive Report & Implementation Plan to the Mayor & Council
- ✓ August: Final Report released and Hearing







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